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**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**

IMPINJ, INC.,  
  
Plaintiff,  
  
v.  
  
NXP USA, INC.,  
  
Defendant.

Case No. 4:19-cv-03161-YGR

**DEFENDANT NXP USA, INC.'S  
MOTION TO STAY PENDING  
INTER PARTES REVIEW AT THE  
U.S. PATENT & TRADEMARK  
OFFICE**

**HEARING DATE: APRIL 14, 2020**

**HEARING TIME: 2:00 P.M.**

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**NOTICE OF MOTION AND MOTION**

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on April 14, 2020, at 2:00 P.M., or as soon thereafter as the matter may be heard before the Honorable Yvonne G. Rogers, whose Courtroom is located at 1301 Clay Street, Oakland, CA 94612, Courtroom 1, 4th Floor, Defendant NXP USA, Inc. ("NXP"), pursuant to Civil L.R. 7-1 and 7-2, will and hereby does move the Court for an Order staying this action pending the completion of the United States Patent and Trademark Office's *inter partes* review of the validity of each of the patents-in-suit. This Motion to Stay is supported by the Memorandum of Points and Authorities incorporated herein and the Declaration of David L. Witcoff submitted herewith.

**RELIEF REQUESTED**

NXP seeks a stay of this action in its entirety during the pendency of the *inter partes* review of the validity of all eight patents asserted in this lawsuit: U.S. Patent Nos. 9,471,816; 9,633,302; 8,115,597; 9,495,631; 8,344,857; 8,600,298; 9,031,504; and 10,002,266.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. STATEMENT OF ISSUES TO BE DECIDED**

Whether the Court should stay this action until the U.S. Patent and Trademark Office ("PTO") completes *inter partes* review of the validity of all eight patents-in-suit.

**II. INTRODUCTION**

NXP respectfully requests that the Court stay this lawsuit while the PTO completes an *inter partes* review ("IPR") of the validity of each claim Impinj has accused NXP of infringing in this case. NXP filed petitions for IPR for each patent-in-suit in February 2020, including for each asserted claim. NXP acted quickly in filing these IPR petitions, preparing and filing them shortly after Impinj finalized the patents it was asserting and reduced the number of patent claims it was accusing NXP of infringing. This case is at an

1 early stage: fact discovery has only recently begun; the deadline to close fact discovery has  
2 not been set; claim construction briefing has not begun; expert discovery has not started;  
3 and no trial date has been scheduled. A stay while the PTO makes an expedited review of  
4 the patents-in-suit will likely significantly simplify the issues and reduce the burden on  
5 both the Court and the parties, if not eliminate the case altogether. And a stay here would  
6 not unduly prejudice Impinj or present a clear tactical advantage to NXP. Under these  
7 circumstances, Courts in this District often stay the case even before the PTO decides  
8 whether to institute the requested *inter partes* review of the asserted patents.

9 As demonstrated below, each of the three factors considered by courts in this  
10 District strongly weighs in favor of a stay.

### 11 **III. BACKGROUND**

#### 12 **A. NXP Has Filed For *Inter Partes* Review Of All Claims That Impinj Has** 13 **Accused NXP Of Infringing In This Case.**

14 On February 14, 2020, NXP completed the filing of its petitions for *inter partes*  
15 review of all eight patents that remain in this case: U.S. Patent Nos. 9,471,816; 9,633,302;  
16 8,115,597; 9,495,631; 8,344,857; 8,600,298; 9,031,504; and 10,002,266. (Witcoff Decl.,  
17 ¶¶3–12.)<sup>1</sup> NXP's petitions seek PTO review of the validity of each claim (among others)  
18 that Impinj has accused NXP of infringing in this case. (*Id.* at ¶14.) The IPR petitions are  
19 based on a number of invalidating prior art references, none of which were considered by  
20 the Examiner during the initial examination of these patents. (*Id.*)

21 In support of the IPR petitions, NXP also submitted supporting declarations from  
22 Dr. Daniel van der Weide, a technical expert with 26 years of experience in the field of  
23 high-frequency electrical measurement and communications systems and advanced high-  
24 frequency circuit design and measurement; Dr. Jack Lee, a technical expert with 40 years  
25 of experience in the field of semiconductor process technology and semiconductor design;  
26 and Dr. Travis Blalock, a technical expert with 34 years of experience in the field of  
27 electrical engineering. Dr. van der Weide has a B.S.E.E. degree from the University of

28 <sup>1</sup> NXP attaches proof of filing rather than the petitions themselves, which are voluminous. NXP will provide the petitions to the Court upon request.

Iowa, an M.S.E.E. degree from Stanford University, and a Ph.D.E.E. degree from Stanford University; Dr. Lee has a B.S.E.E. and an M.S.E.E. degree from the University of California, Los Angeles, and a Ph.D.E.E. degree from the University of California, Berkeley; and Dr. Blalock has a B.S.E.E. and an M.S.E.E. degree from the University of Tennessee and a Ph.D.E.E. degree from Auburn University. (*Id.* at ¶15.)

NXP filed with the PTO the following IPR petitions challenging the identified claims (the 20 claims Impinj is accusing NXP of infringing are in bold):

IPR Petition	Date Filed	Institution Decision Due No Later Than	Challenged Claims
IPR2020-00514	February 4, 2020	August 20, 2020	U.S. Patent No. 9,471,816 claims 1, <b>3, 4</b> , 5–6, 8, 10–13, 15, 17–20
IPR2020-00516	February 5, 2020	September 4, 2020	U.S. Patent No. 9,633,302 claims <b>1, 2, 3, 4</b> , 5–6, <b>7</b> , 8– 20
IPR2020-00519	February 6, 2020	August 20, 2020	U.S. Patent No. 8,115,597 claims <b>1, 2</b> , 9–10, and <b>12, 13</b> , <b>14, 15</b>
IPR2020-00543	February 10, 2020	September 4, 2020	U.S. Patent No. 9,495,631 claims 1–6, 8–12, <b>13, 14, 15</b> , <b>16, 17</b>
IPR2020-00544	February 10, 2020	September 4, 2020	U.S. Patent No. 8,344,857 claims 1–15
IPR2020-00552	February 11, 2020	August 20, 2020	U.S. Patent No. 8,600,298 claims 1, 2, 3–5, 8–12, <b>15</b> , <b>16, 17</b> , 18–19
IPR2020-00553	February 11, 2020	August 20, 2020	U.S. Patent No. 8,600,298 claims 1, 2, 3–5, 8–12, <b>15</b> , <b>16, 17</b> , 18–19



IPR2020-00554	February 11, 2020	September 4, 2020	U.S. Patent No. 9,031,504 claims 1–2, 4, 7–10, 13–15, 17–19, 21
IPR2020-00556	February 11, 2020	September 4, 2020	U.S. Patent No. 9,031,504 claims 1–2, 4, 7–10, 13–15, 17–19, 21
IPR2020-00589	February 14, 2020	September 8, 2020	U.S. Patent No. 10,002,266 claims 1–7, <b>8</b> , <b>10</b> , 11–17

(*Id.* at ¶¶3–12, 16.)

**B. This Case Is At An Early Stage.**

Impinj’s initial Complaint accused NXP of infringing 26 patents. (ECF No. 1.) At the November 6, 2019 Case Management Conference, Impinj requested, as an alternative approach, to file an amended complaint asserting infringement of only 8 of these patents. (November 14, 2019 Case Management and Scheduling Order (ECF No. 39) (“Scheduling Order” at 1).) There was a lengthy discussion on the handling of the remaining 18 patents, including concerns about *inter partes* reviews, that culminated in the Court indicating that Impinj would at some point be able to file an amended complaint or otherwise dismiss these 18 patents, but first it wanted to see how the parties resolved their concerns regarding these 18 patents. (*Id.* at 1–2.) Ultimately, on February 13, 2020, the Court granted (ECF No. 51) the parties’ Stipulation Allowing Filing of Amended Complaint (ECF No. 49), which dismissed with prejudice many of the claims from these 18 patents, and also permitted Impinj to file its First Amended Complaint asserting the other 8 patents, which Impinj did on February 18. (ECF No. 53.)

In addition, pursuant to the Court’s Scheduling Order, Impinj identified 28 patent claims from these 8 patents in its infringement contentions on November 14, 2019. Responding to NXP’s complaints about deficiencies, Impinj disclosed more complete infringement contentions in January 2020, including revised claim charts. (Witcoff Decl.,

¶13.) Moreover, on February 21, 2020, pursuant to a Case Narrowing Event in the Court’s Scheduling Order, Impinj reduced the number of patent claims it was asserting against NXP from 28 to 20, revealing in that disclosure that it was no longer asserting any claims from U.S. Patent Nos. 8,344,857 and 9,031,504. (*Id.*, ¶16.)

As more fully explained below, fact discovery has only recently begun. And, under the Court’s Scheduling Order, the deadline to close fact discovery has not been set; claim construction briefing has not begun; expert discovery has not started; and no trial date has been scheduled.

**C. Congress Created The IPR Procedure To Provide An Expedited Review Of Patent Validity In The PTO, As An Alternative To District Court Litigation.**

*Inter partes* review is a PTO procedure created by Congress that serves as an alternative to district court litigation to resolve patent validity challenges. Congress specifically implemented this procedure to mitigate the burden of potential redundancies borne by the courts, the taxpayers, and the parties when identical patent issues are litigated in multiple forums. *See Pi-Net Int’l, Inc. v. Focus Bus. Bank*, C-12-4958-PSG, 2013 WL 4475940, at \*1 (N.D. Cal. Aug. 16, 2013). An IPR is conducted on an accelerated schedule (imposed by statute) in the PTO before a panel of three technically-trained Administrative Patent Judges.

The IPR procedure is tailor-made for the present situation, particularly given that the PTO was not aware of *any* of the invalidating prior art references cited in the IPR petitions during the initial examinations of the patents-in-suit. Once an IPR petition is filed and accorded a filing date by the PTO, the PTO is required by statute to decide whether to institute the *inter partes* review within six months. 37 C.F.R. § 42.107(b); 35 U.S.C. § 314(b). Thus, in this case, the parties should learn whether the PTO has decided to institute IPR of each asserted patent no later than between August 20 and September 8, 2020 (and the PTO could always decide more promptly than this). 35 U.S.C. 314(b).

The PTO will institute an IPR upon a showing that “[t]here is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims

challenged in the petition.” 35 U.S.C. § 314(a). According to the most recent statistics released by the PTO, for Fiscal Year 2019, the PTO granted about 63% of petitions for *inter partes* review. (Witcoff Decl., ¶17.) In that event, “the final determination in an *inter partes* review [must] be issued not later than 1 year after the date on which the Director notices the institution of a review,” extendible by no more than 6 months for good cause. 35 U.S.C. § 316(a)(11).<sup>2</sup> Once the PTO issues a final written decision, the IPR petitioner is estopped in litigation from asserting that the claims, subject to the written decision, are invalid on any ground that the petitioner raised or reasonably could have raised during the IPR. 35 U.S.C. § 315(e)(2). Of the patents reviewed during the IPR process since 2012, 81% of final decisions found at least one claim of the challenged patents unpatentable, and 63% found all of the challenged claims unpatentable. (Witcoff Decl., ¶17.)

As explained by the PTO, “[t]he purpose of . . . [the PTO’s IPR] regulations is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” (Witcoff Decl., ¶18.) The PTO’s express intent in formulating the IPR rules and procedures was “to create a timely, cost-effective alternative to litigation.” (*Id.*)

#### IV. ARGUMENT

##### A. The Court Has Discretion To Enter A Stay Pending The *Inter Partes* Review.

This Court has inherent authority to stay this litigation pending *inter partes* review of the validity of the patents-in-suit. *See Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal. 2015) (citing *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426–27 (Fed. Cir. 1998)). Whether to stay a case during a parallel IPR proceeding regarding the asserted patents is entrusted to the Court’s sound discretion. *Oyster Optics, LLC v. Ciena Corp.*, Case No. 17-cv-05920-JSW, 2018 WL 6972999, at \*1 (N.D. Cal. Jan. 29, 2018).

##### B. Courts Commonly Enter Stays Pending *Inter Partes* Review.

Recognizing the potential to streamline and inform a patent case (if not dispose of it

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<sup>2</sup> According to the PTO: “Extensions of the one-year period are anticipated to be rare.” (Witcoff Decl., ¶19.)

entirely), numerous courts in this District have recently entered stays pending IPR proceedings even before the PTO decided whether to institute the requested IPR. *See, e.g., Uniloc USA, Inc. v. LG Elec. USA, Inc.*, Case No. 18-cv-06737-JST, Case No. 18-cv-06739-JST, Case No. 18-cv-06740-JST, 2019 WL 1905161, at \*4 (N.D. Cal. Apr. 29, 2019) (granting pre-institution institution stay, explaining: “Given the degree to which the PTO’s decisions may impact these cases, it would be particularly wasteful to require the parties to proceed with preparations and filings that may be reshaped or entirely mooted a short while later”); *Anza Tech., Inc. v. Toshiba Am. Elec. Components, Inc.*, Case No. 17-CV-07289-LHK, 2018 WL 4859167, at \*2 (N.D. Cal. Sept. 28, 2018) (granting pre-institution stay because “staying the case pending the resolution of the petitions and the IPRs, if instituted, could simplify the case because the PTAB could cancel or amend some or all of the asserted claims”); *Uniloc USA, Inc. v. Apple Inc.*, Case No. 18-cv-00361-PJH, Case No. 18-cv-00362-PJH, Case No. 18-cv-00364-PJH, 2018 WL 2387855, at \*2 (N.D. Cal. May 25, 2018) (granting pre-institution stay, finding that “[a] stay would simplify the issues and conserve the court’s and a potential jury’s resources by ensuring that the court does not address at claim construction, summary judgment, or trial any claims that the Patent Office later invalidates”); *Oyster Optics, LLC v. Ciena Corp.*, 2018 WL 6972999, at \*2 (granting pre-institution stay because “[a]lthough the PTAB has not yet ruled on its petitions, if the PTAB accepts review of all claims, it could dispose of this case in its entirety”); *Acoustic Tech., Inc. v. Silver Springs Networks, Inc.*, Case No. 17-cv-02176-SK, 2017 WL 6001615, at \*2 (N.D. Cal. July 25, 2017) (granting pre-institution stay because “the Court finds that staying this action can reduce the burden on the Court and preserving the resources of both parties and the Court”). The courts in these cases found that a stay pending IPR proceedings would save significant resources, simplify cases that were still in the early stage of discovery, and would not unduly prejudice the non-moving party.

**C. All Three Relevant Factors Strongly Weigh In Favor Of A Stay.**

In deciding whether to stay a case pending an *inter partes* review, courts in this District consider: “(1) whether discovery in the case is complete and whether a trial date

has been set; (2) whether a stay would simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party. *Uniloc USA v. LG Elec. USA*, 2019 WL 1905161, at \*2 (citing *In re Cygnus Telecomms. Tech., LLC, Patent Litig.*, 385 F. Supp. 2d 1022, 1023 (N.D. Cal. 2005) and *Murata Mach. USA v. Daifuku Co.*, 830 F.3d 1357, 1361 (Fed. Cir. 2016)). All three of these factors strongly weigh in favor of staying this case.

**1. *Discovery Has Just Begun And No Trial Date Has Been Set.***

The first factor weighs strongly in favor of a stay because this case is still in its early stages. “The first factor asks the Court to consider the progress already made in the case, such as the completion of discovery, the setting of a trial date, or whether claim construction has occurred.” *Uniloc USA v. LG Elec. USA*, 2019 WL 1905161, at \*2 (citation omitted). “Issues for consideration include whether the parties have engaged in costly expert discovery and dispositive motion practice, whether the parties have fully briefed the issue of claim construction, attended a *Markman* hearing and received a claim construction order, and whether a court has set a trial date.” *Acoustic Tech.*, 2017 WL 6001615, at \*2 (citing *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1025–26 (N.D. Cal. 2014)). While the parties have exchanged some written discovery and started producing documents, no depositions have been noticed or taken, claim construction briefing will not begin until May 29 (with a *Markman* hearing currently set for July 22), and there is no fact discovery cut-off, expert discovery schedule, or trial date. (Witcoff Decl., ¶2; ECF No. 39.) The early stage of this case, therefore, weighs strongly in favor of a stay. *See, e.g., Anza Tech*, 2018 WL 4859167, at \*1 (staying case where “only limited discovery” had occurred and the parties had not begun claim construction briefing); *Uniloc USA, Inc. v. Apple Inc.*, 2018 WL 2387855 (staying case where most of fact and expert discovery was largely incomplete); *Acoustic Tech.*, 2017 WL 6001615, at \*2 (staying case where there had been “no expert discovery, no dispositive motions, no setting for trial, and no claim construction briefing”).

## 2. *A Stay Inevitably Will Simplify The Issues.*

A stay will simplify the issues in this case and at trial in many ways. First, the IPRs could significantly narrow, or even eliminate this case, by disposing of some or all of the patents and asserted claims. The PTO will review the validity of every claim asserted in this case because NXP's IPR petitions seek review of the validity of each claim Impinj is asserting against NXP here. (Witcoff Decl., ¶14.) Thus, "the requested stay presents the maximum potential for simplification." *Uniloc USA v. LG Elec. USA*, 2019 WL 1905161, at \*4. Courts in this District have found that this "high upside" mitigates the risk that the PTO will deny review. *Id.*

Even if not all claims of the patents-in-suit are ultimately found unpatentable, it is highly likely that one or more claims will not survive the IPRs. "The standard is simplification of the district court case, not complete elimination of it by the PTAB." *Anza Tech.*, 2018 WL 4859167, at \*2 (quotation omitted). As noted in Section III.C *supra*, 81% of final IPR decisions since 2012 have found at least one claim of the challenged patents unpatentable. (Witcoff Decl., ¶17.) In addition, regardless of the outcome, "the [PTO's] ruling on [NXP's] IPR petition[s] may clarify claim construction positions of the parties, raise estoppel issues, and encourage settlement, thus reducing the litigation burden on the parties." *MasterObjects, Inc. v. eBay Inc.*, Case No. 16-cv-06824-JSW, 2017 WL 2181132, at \*3 (N.D. Cal. May 5, 2017); *see also Oyster Optics*, 2018 WL 6972999, at \*2 (same); *Evolutionary Intelligence LLC v. LivingSocial, Inc.*, Case No. 13-cv-04205-WHO, 2014 WL 213179, at \*2 (N.D. Cal. Jan. 17, 2014) ("This case will be simplified if the PTO narrows or cancels *any* of the asserted claims, even if other claims remain in their original form." (emphasis in original)).

Thus, if all of the accused claims of the patents-in-suit are found unpatentable

1 through IPRs while the case is stayed, then the Court and parties will have avoided the very  
2 substantial cost and burden of unnecessary litigation. Even if the PTO finds that only some  
3 of the asserted patent claims are invalid or must be amended, then the Court and parties  
4 nevertheless will have avoided wasting resources addressing invalid claims or claims that  
5 have been amended.

6  
7 Further, “even if the PTO decides to institute review and affirms the validity of  
8 every asserted claim, the case would still be simplified because ‘such a strong showing  
9 would assist in streamlining the presentation of evidence . . . .’” *Finjan*, 139 F. Supp. at  
10 1036–37 (quoting *PersonalWeb Techs. LLC v. Facebook, Inc.*, Case Nos. 5:13-CV-01356-  
11 EJD, 5:13-CV-01358-EJD, 5:13-CV-01359-EJD, 2014 WL 116340, at \*4 (N.D. Cal. Jan.  
12 13, 2014). Even then, for example, the invalidity issues here will be simplified because  
13 NXP will be estopped from re-litigating in this Court the same invalidity issues that it  
14 raised or reasonably could have raised in the IPR proceedings. 35 U.S.C. § 315(e)(2). *See*  
15 *Finjan*, 139 F. Supp. 3d at 1036 (“Staying the case pending the outcome of IPR could  
16 simplify the case by rendering some or all of Finjan[’s] infringement claims moot,  
17 estopping [the defendant] from asserting any arguments it raised or reasonably could have  
18 raised in the IPR . . . .” (citing *Evolutionary Intelligence LLC v. Facebook, Inc.*, No. 13-cv-  
19 04202-SI, 2014 WL 261837, at \*2 (N.D. Cal. Jan. 23, 2014)); *Brixham Sol. Ltd. v. Juniper*  
20 *Networks, Inc.*, Case No. 13-cv-00616-JCS, 2014 WL 1677991, at \*1 (N.D. Cal. Apr. 28,  
21 2014) (“[A]ssuming the PTO institutes review, the case is likely to be streamlined even if  
22 no claims are cancelled because of the estoppel provisions of 35 U.S.C. § 315(e)(2) . . . .”).  
23 Thus, a stay here will inevitably simplify the case.

24  
25 Moreover, if and to the extent that any claims do survive the IPR process, the  
26 Court, the jury and the parties will benefit from the PTO’s expert review of the technology,  
27  
28

1 claim construction, and scope of the asserted claims and prior art. *See Finjan*, 139 F. Supp.  
2 3d at 1036–37 (“Staying the case pending the outcome of IPR could simplify the case  
3 by . . . providing the Court with [the PTO’s] expert opinion . . . and benefit the trier of fact  
4 by providing the expert opinion of the PTO.” (citing *Evolutionary Intelligence v.*  
5 *Facebook*, 2014 WL 261837, at \*2); *Evolutionary Intelligence v. Twitter, Inc.*, No. C 13-  
6 04207 JSW, 2017 WL 12601515, at \*3 (N.D. Cal. Feb. 25, 2014) (“To the extent claims  
7 survive the reexamination process, the reexamination would facilitate trial by providing the  
8 Court with expert opinion of the PTO and clarifying the scope of the claims.” (citation  
9 omitted))).

11 A stay also would avoid the risk and burden of potentially having to repeat the  
12 patent claim construction process in this proceeding once the IPR records are complete.  
13 This is particularly true now that the PTO must apply the same standard as the district  
14 courts in construing claim terms. *See* 37 C.F.R. 42. For example, during the IPR  
15 proceedings, Impinj may make representations and admissions regarding the scope of the  
16 claims of the patents-in-suit to attempt to distinguish the claimed invention from the prior  
17 art. These statements will form part of the still-developing intrinsic record of the patents-  
18 in-suit (the back-and-forth “prosecution history” in the PTO) that the Court must consider  
19 when it construes the claim language. *See Aylus Networks, Inc. v. Apple, Inc.*, 856 F.3d  
20 1353, 1359–62 (Fed. Cir. 2017) (holding that statements made by a patent owner during  
21 IPR proceedings may be used to support a finding of prosecution disclaimer during claim  
22 construction proceedings); *Am. Piledriving Equip., Inc. v. Geoquip, Inc.*, 637 F.3d 1324,  
23 1336 (Fed. Cir. 2011) (statements made during PTO reexamination inform the proper  
24 construction of a claim term); *Philips v. AWH Corp.*, 415 F.3d 1303, 1314–19 (Fed. Cir.  
25 2005) (intrinsic evidence includes the claims, the specification, and the prosecution history,  
26  
27  
28



1 which comprises the complete record of the proceedings before the PTO). If claim  
 2 construction is addressed before the PTO's review of the patents-in-suit, before NXP's  
 3 arguments are complete, and before the claims (if they even survive) are final, that process  
 4 will likely need to be repeated or revisited, in whole or in part, after the conclusion of the  
 5 IPR proceedings. *See, e.g., Palomar Techs., Inc. v. Mrsi Sys., LLC*, Case No. 15-CV-1484  
 6 JLS (KSC), 2016 WL 4496839, at \*7 (S.D. Cal. June 14, 2016) (granting stay, noting that  
 7 in the absence of a stay, "the parties may have to seek to reopen, revisit, or potentially  
 8 completely redo discovery and claim construction to account for events occurring during  
 9 IPR"); *Corel Software, LLC v. Microsoft Corp.*, Case No. 2:15-CV-528-JNP-PMW, 2016  
 10 WL 4444747, at \*2 (D. Utah Aug. 23, 2016) ("Proceeding with claim construction without  
 11 the benefit of the additional intrinsic record developed during IPR could complicate this  
 12 case by making it necessary to reconsider certain claim construction issues."); *VDF*  
 13 *Futureceuticals, Inc. v. Sandwich Isles Trading Co. Inc.*, No. 11-cv-228-ACK-RLP, 2011  
 14 U.S. Dist. Lexis 148766, at \*5–6 (D. Haw. Dec. 27, 2011) ("The Court particularly notes  
 15 that some or all of the Court's determinations at the scheduled Markman hearing [] could  
 16 be undermined by the PTO's reexamination, forcing the Court to hold a second Markman  
 17 hearing to address new versions of the claims."). This is true even if the PTO ultimately  
 18 does not institute review because the Patent Owner may make statements or take positions  
 19 in its preliminary response that will become part of the intrinsic record, which will further  
 20 inform claim construction issues.<sup>3</sup> Because a stay pending completion of the IPRs would  
 21 avoid imposing this unnecessary burden on the Court, the claim construction issues should  
 22  
 23  
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26 <sup>3</sup> As the Patent Owner, Impinj can submit a Preliminary Response to each IPR  
 27 petition submitted by NXP within 3 months after the PTO issues its Notice of Filing Date  
 28 Accorded to each petition. 35 U.S.C. § 313; 37 C.F.R. § 42.107(b). Therefore, Impinj can  
 submit its Preliminary Responses here no later than May 20 – June 5, 2020. (Witcoff  
 Decl., ¶¶3–12.)

1 not be litigated until the evolving intrinsic record in the PTO is complete.

2 A stay of the litigation while the IPRs proceed in the PTO also should enhance the  
3 likelihood of settlement. *See Evolutionary Intelligence LLC v. Yelp Inc.*, No. C–13–03587  
4 DMR, 2013 WL 6672451, at \*6 (N.D. Cal. Dec. 18, 2013) (“[E]ven if these claims are not  
5 all cancelled, the IPR could encourage settlement . . . .” (quotation omitted)). If, for  
6 example, Impinj is forced to amend the claims during the IPRs, then the scope of Impinj’s  
7 patent allegations may be altered, and the settlement posture may have changed  
8 considerably.  
9

10 If the case is not stayed, however, and the Court moves forward with this action in  
11 parallel with the IPRs, there is a substantial risk of expending substantial resources to  
12 litigate the validity of patent claims that may ultimately be held unpatentable by the PTO.  
13 *See Finjan*, 139 F. Supp. 3d at 1037 (“Were the Court to deny a stay until a decision on  
14 institution is made, the parties and the Court would expend significant resources on issues  
15 that could eventually be mooted by the IPR decision”); *PersonalWeb Techs. v. Facebook*,  
16 2014 WL 116340, at \*4 (granting stay to “avoid[] duplicative costs and efforts”). The  
17 parties have yet to make the major investment of time and resources necessary for fact and  
18 expert discovery, or for claim construction. It would be a waste of valuable judicial and  
19 party resources to conduct parallel proceedings before this Court and the PTO, only to risk  
20 having the work of the Court undone by claim cancellations and/or amendments that are  
21 likely to occur in the PTO. *See Uniloc USA v. Apple*, 2018 WL 2387855, at \*2 (finding  
22 that because of the possibility that the court and the PTO “could reach inconsistent  
23 conclusions regarding the same patent, there is a significant concern of wasting resources  
24 by unnecessarily proceeding with this action in parallel (internal quotation omitted)). If  
25 this case proceeds alongside the IPRs, there also is a risk of inconsistent rulings on the  
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1 issue of patent validity. *See Acoustic Tech.*, 2017 WL 6001615, at \*2 (“A stay may also  
2 serve to avoid inconsistent results, obtain guidance from the [PTO] or avoid the waste of  
3 judicial resources.”); *Evolutionary Intelligence v. Yelp*, 2013 WL 6672451, at \*6  
4 (“[G]ranting of a stay will avoid the possibility of inconsistent results.”).

5  
6 That the PTO has not yet issued a decision on the IPR petitions should not weigh  
7 against a stay. “[T]he issuance of a stay while the request for an IPR is still pending is not  
8 uncommon,” and this District has a “liberal policy in favor of granting motions to stay”  
9 cases pending the outcome of IPR proceedings. *Acoustic Tech.*, 2017 WL 6001615, at \*3  
10 (quoting *Robert Bosch Healthcare Sys., Inc. v. Cardiocom, LLC*, No. C-14-1575-EMC,  
11 2014 WL 3107447, at \*6 (N.D. Cal. July 3, 2014)). Indeed, numerous courts in this  
12 District have recently granted stays *prior to* the PTO issuing an institution decision due to  
13 the potential for significant simplification of the case and conservation of resources. *See*,  
14 *e.g., Uniloc USA v. LG Elec. USA*, 2019 WL 1905161, at \*4 (“[G]iven the degree to which  
15 the PTO’s decisions may impact these cases, it would be particularly wasteful to require  
16 the parties to proceed with preparations and filings that may be reshaped or entirely mooted  
17 a short while later.”); *Anza Tech.*, 2018 WL 4859167, at \*2 (“Therefore, staying the case  
18 pending the resolution of the petitions and the IPRs, if instituted, could simplify the case  
19 because the PTAB could cancel or amend some or all of the asserted claims”); *Uniloc USA*  
20 *v. Apple*, 2018 WL 2387855, at \*2 (“A stay would simplify the issues and conserve the  
21 court’s and a potential jury’s resources by ensuring that the court does not address at claim  
22 construction, summary judgment, or trial any claims that the Patent Office later  
23 invalidates.”); *Oyster Optics*, 2018 WL 6972999, at \*2 (“Although the PTAB has not yet  
24 ruled on its petitions, if the PTAB accepts review of all claims, it could dispose of this case  
25 in its entirety.”); *Acoustic Tech.*, 2017 WL 6001615, at \*2 (“Therefore, the Court finds that  
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1 staying this action can reduce the burden on the Court and preserving the resources of both  
 2 parties and the Court.”). The courts in each of these cases found that the benefits of a stay  
 3 (preserving significant resources, simplifying the issues, etc.) under circumstances similar  
 4 to those here outweighed waiting for the PTO to make its institution decision.

5  
 6 “Furthermore, either party may file a motion to lift the stay if any part of the  
 7 petitions for IPR are denied, so ‘any concern that the motion[] [is] premature is alleviated  
 8 by the short time frame of the initial stay and the Court’s willingness to reevaluate the stay  
 9 if *inter partes* review is not instituted for all of the asserted claims.” *Anza Tech.*, 2018 WL  
 10 4859167, at \*2 (quoting *Evolutionary Intelligence v. Facebook*, 2014 WL 261837, at \*3;  
 11 *see also Uniloc USA v. Apple*, 2018 WL 2387855, at \*2 (“But the fact that the [PTO] has  
 12 not yet decided whether to institute an IPR does not require finding the factor weighs  
 13 against issuing a stay.” (collecting cases)).

14  
 15 Here, NXP has challenged every asserted claim of the patents-in-suit, and “if the  
 16 [PTO] accepts review of all claims, it could dispose of this case in its entirety.” *Oyster*  
 17 *Optics*, 2018 WL 6972999, at \*2. “In these circumstances . . . courts in this district have  
 18 found that the potential for simplification outweighs the uncertainty inherent in a pre-  
 19 institution stay.”<sup>4</sup> *See, e.g., Uniloc USA v. LG Elec. USA*, 2019 WL 1905161, at \*5;  
 20 *Delphix Corp. v. Actifio, Inc.*, No. 13-CV-04613-BLF, 2014 WL 6068407 (N.D. Cal. Nov.  
 21 13, 2014); *Oyster Optics*, 2018 WL 6972999, at \*3; *PersonalWeb Techs. v. Facebook*,  
 22 2014 WL 116340, at \*5.

23  
 24 Thus, the second factor also weighs strongly in favor of a stay.

25  
 26 <sup>4</sup> Considering that IPRs are instituted the majority of the time (Witcoff Decl., ¶17),  
 27 any consequences of staying the case at least until the institution decision (here, no later  
 28 than until September 8, 2020) are greatly outweighed by the vast benefits of a stay (e.g.,  
 conserving resources, the IPRs’ impact on claim construction and desire to avoid do-overs,  
 etc.), as explained herein.

1                                **3.        *A Stay Will Not Unduly Prejudice Or Present A Clear Tactical***  
2                                ***Disadvantage To Impinj.***

3                                In weighing whether a stay would unduly prejudice or present a clear tactical  
4                                disadvantage to the non-moving party, courts consider: “(1) the timing of the petition for  
5                                review; (2) the timing of the request for the stay; (3) the status of review proceedings; and  
6                                (4) the relationship of the parties.” *Uniloc USA v. LG Elec. USA*, 2019 WL 1905161, at \*5  
7                                (quoting *Cypress Semiconductor Corp. v. GSI Tech., Inc.*, No. 12-cv-02013-JST, 2014 WL  
8                                5021100, at \*3 (N.D. Cal. Oct. 7, 2014)). A stay does not present a tactical advantage  
9                                where, as here, the case has not significantly progressed and therefore a stay is  
10                                “particularly appropriate for cases in the initial stages of litigation or in which there has  
11                                been little discovery.” *Ho Keung Tse v. Apple Inc.*, No. C 06-06573 SBA, 2007 WL  
12                                2904279, at \*2 (N.D. Cal. Oct. 4, 2007). As discussed in Section III.C.1 *supra*, this  
13                                litigation is in its early stages and has not significantly progressed.

14                                Further, a stay will be in place for a finite amount of time. “Courts have long  
15                                acknowledged that a delay inherent to a stay does not, in and of itself, constitute  
16                                prejudice.” *Oyster Optics*, 2018 WL 6972999, at \*3 (quoting *PersonalWeb Techs. v.*  
17                                *Facebook*, 2014 WL 116340, at \*5); *see also Nanometrics, Inc. v. Nova Measuring Inst.,*  
18                                *Ltd.*, No. C 06-2252 SBA, 2007 WL 627920, at \*3 (N.D. Cal. Feb. 26, 2007 (noting that  
19                                “[m]ere delay, without more . . . does not demonstrate undue prejudice”). Any litigation  
20                                delay here will not result in undue prejudice. The stay requested by NXP will be of limited  
21                                duration: the PTO is statutorily required to decide whether to institute all of the IPRs no  
22                                later than September 8, 2020, and may in fact reach these decisions earlier. 35 U.S.C.  
23                                §§ 313, 314(b); 37 CFR § 42.107(b). If the PTO elects not to institute the IPRs, then the  
24                                stay could be lifted here by mid-September 2020 at the latest. And if the IPRs are  
25                                instituted, then the PTO must, by statute, complete the review within twelve months of  
26                                institution. 35 U.S.C. § 316(a)(11). Thus, where the speed of the overall IPR procedure is  
27                                accelerated, a stay does not result in undue prejudice.

28                                That Impinj and NXP are competitors also should not weigh against a stay here.

1 Courts have found this factor does not create undue prejudice, especially because of the  
2 stay's short duration. *Finjan*, 139 F. Supp. 3d at 1037. That conclusion is especially  
3 compelling here, where Impinj corresponded with NXP for two years about its  
4 infringement concerns before it brought suit (while the accused products were on the  
5 market), and Impinj has not sought a preliminary injunction. Impinj's clear lack of  
6 urgency in bringing and litigating this case demonstrates that Impinj will not suffer  
7 prejudice or a tactical disadvantage, much less *undue prejudice* or a *clear* tactical  
8 advantage as required in this District.

9 Thus, the final factor also weighs in favor of a stay.

## 10 **V. CONCLUSION**

11 All three factors that courts in this District consider when evaluating whether to  
12 grant a stay pending *inter partes* review weigh in favor of a stay. This case is in its very  
13 early stages, there is a maximum potential for narrowing and streamlining the case (or even  
14 disposing of it entirely), and Impinj will not suffer any undue prejudice or clear tactical  
15 advantage because NXP did not delay in filing its IPR petitions and because Impinj has  
16 demonstrated no urgency concerning the resolution of this case. For all the reasons cited  
17 above, NXP respectfully requests that the Court stay this case pending resolution of the  
18 IPR proceedings for all eight patents-in-suit.

Dated: March 10, 2020

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**CERTIFICATE OF SERVICE**

I, T. Kaitlin Crowder, declare:

I am a citizen of the United States and employed in Cuyahoga County, Ohio. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 901 Lakeside Ave. E., Cleveland, OH 44114. On March 10, 2020, I served a copy of the following documents via CM/ECF on all counsel of record:

- **DEFENDANT NXP USA, INC.'S MOTION TO STAY PENDING  
*INTER PARTES* REVIEW AT THE U.S. PATENT & TRADEMARK  
OFFICE**

Executed on March 10, 2020 at Jones Day.

/s/ T. Kaitlin Crowder  
T. Kaitlin Crowder